

Message Text

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ORIGIN OPIC-12

INFO OCT-01 AF-10 ISO-00 EB-11 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 TRSE-00 XMB-07 SPC-03 CIEP-02

LAB-06 SIL-01 OMB-01 INRE-00 L-03 SSO-00 /089 R

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SPECIAL CHARGE: OPIC

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O 112217Z SEP 73

FM SECSTATE WASHDC

TO AMEMBASSY MOGADISCIO IMMEDIATE

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FOR HOEVELER

E.O. 11652: N/A

TAGS: E/GEN

SUBJ: FERN/PRODMA

REF: MOGADISCIO 1318

1. OPIC SPOKE WITH FEARN VP SENSENEY. FEARN AGREES TO ACCEPT GSDR OFFER OF U.S. \$327,000 FOR PURCHASE FEARN'S INTEREST IN PRODMA FISHING OPERATIONS. FEARN SUGGESTS FOLLOWING TERMS OF PAYMENT:

A. GSDR SHOULD MAKE INITIAL CASH PAYMENT OF 50 PER CENT OF PURCHASE PRICE UPON SIGNING PURCHASE AGREEMENT. FEARN WILLING TO ACCEPT CASH DOWN-PAYMENT EQUAL TO ONE-THIRD OF PURCHASE PRICE.

B. FEARN REQUESTS THAT UNPAID PORTION OF PURCHASE PRICE BE
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PAID IN SIX EQUAL MONTHLY INSTALLMENTS. FEARN WILLING TO ACCEPT

TWO EQUAL INSTALLMENTS AFTER THIRD MONTH AND AFTER SIXTH MONTH.

C. RATE OF INTEREST FOR UNPAID PORTION OF PURCHASE PRICE TO BE 9 3/4 PER CENT PER ANNUM WHICH IS CURRENT U.S. PRIME RATE, I.E., RATE AT WHICH FEARN BORROWS MONEY TODAY IN U.S. LOWERST RATE OF INTEREST FEARN WILLING TO ACCEPT 6 PER CENT PER ANNUM WHICH IS RATE FOR LOANS MADE BY FEARN TO PRODMA.

D. FEARN AGREES TO PAY TERMINATION AND ACCRUED VACTATION PAY FOR FOUR GUARDS THROUGH SEPTEMBER 30 PROVIDED TOTAL AMOUNT DOES NOT EXCEED U.S. \$2,000, AND DETAILED FIGURES SUPPORTING CLAIMS ARE FIRST FURNISHED TO FEARN AND UPON PAYMENT BY FEARN, APPROPRIATE RELEASES SECURED FROM EACH OF GUARDS AND RELEVANT MINISTRY OF GSDR. RELEASE FROM LIBAN ALSO REQUESTED.

E. ESSENTIAL THAT PURCHASER BE AGENCY OF GSDR AND THAT GSDR BE OBLIGOR OF NOTES FOR REMAINDER OF PRUCHASE PRICE.

F. PAYMENTS TO BE MADE DIRECTLY TO FEARN BY CABLING FUNDS TO CONTINENTAL ILLINOIS NATIONAL BANK OF CHICAGO, ILLINOIS, FOR AC-COUNT OF FEARN - ACCOUNT NO. 73-11842.

2. FEARN RELYING ON MOHAMOUD SHEIKH AHMED TO PREPARE APPROPRIATE DOCUMENTATION FOR CONSUMMATION OF SALE ASAP. FEARN WISHES TO BE ADVISED BY LOCAL ATTORNEY OF DOCUMENTS WHICH WILL BE NEEDED FROM U.S. TO CONSUMMATE SALE. STOCK CERTIFICATES EVIDENCING FEARN OWNERSHIP OF PRODMA AND NOTES EVIDENCING PRODMA DEBT TO FEARN ARE LOCATED IN U.S.

3. BOTH FEARN AND OPIC HOPE THAT HOEVELER ABLE NEGOTIATE SAT-ISAFCTORY SETTLEMENT FOR BUNKERING OPERATION EVEN THOUGH TERMS MAY DIFFER FROM THOSE FOR FISHING OPERATIONS.

4. OPIC BELIEVES BEST PROCEDURE TO FOLLOW IS FOR HOEVERL TO RE-MAIN IN MOGADISCIO UNTIL BASIC TERMS OF SETTLEMENTS WITH GSDR FOR FISHING OPERATIONS AND BUNKERING OPERATIONS AGREED UPON. HOEVELER TOGETHER WITH MOHAMOUD SHEIKH AHMED SHOULD EXECUTE LETTER AGREE-MENT WITH GSDR SPELLING OUT BASIC TERMS. IF HOEVELER BELIEVES PRESENCE IN MOGADISCIO NECESSARY FOR CONSUMMATION OF DEAL ONCE LETTER AGREEMENT SIGNED, HE SHOULD ADVISE OPIC.

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5. ACCORDINGLY, OPIC EXTENDING HOEVLER TDY. TRAVEL AUTHORIZA-TION NUMBER 7204018 AMENDED TO EXTEND THROUGH SEPTEMBER 17, 1973. COPY OF AMENDED ORDER BEING POUCHED.

DECONTROL 9/11/74. RUSH

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